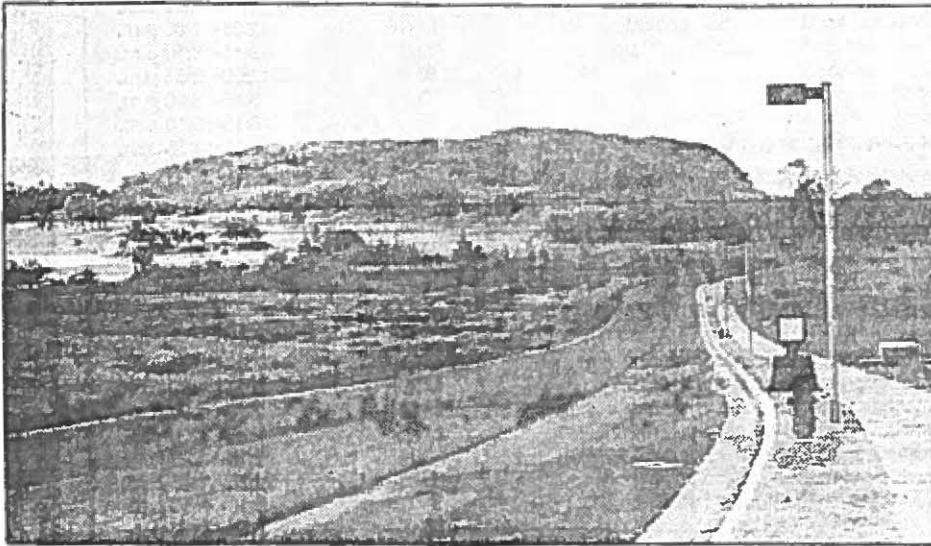


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## Setback on Molokai



Molokai's Kaiaka Rock

It is a major disappointment for Molokai, and for Hawaii tourism in general, that the Swig family of San Francisco has pulled out of plans to build a luxury hotel at the Kaiaka Rock site.

For what was anticipated for Molokai's west end was a development in a class with the Mauna Kea Beach and Mauna Lani Bay hotels on the Big Island. The outlook was especially promising because Swig interests include impressive Fairmont hotels in San Francisco and other cities.

Such a development would have been a major boost for the Kaluakoi Corporation's resort area, which now includes only the Sheraton Molokai Hotel, and for Molokai's struggling economy.

**RIISING COSTS** were said to be the big factor in the Swig decision after some eight months of negotiations and increasing anticipation of a successful arrangement.

Other factors mentioned include West Molokai's windy winter weather, the island's history of political activism critical of tourism and the uncertainty that needed permits could be quickly obtained.

Still, while such factors may be notable, Molokai also has beauty, a rustic, rural character and friendly people largely favorable to quality tourism and other appropriate economic development.

**SEVERAL** other hotel operating firms were reported interested in the Kaiaka Rock site before exclusive negotiations with the Swig family began. Whether one can be found who, like the Swigs, would combine financing, development and operations is a question.

But, given persistent efforts, the bright prospects for Hawaii tourism in general, and community involvement, tourism in appropriate degree should play a larger role on the Friendly Isle.